

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Illinois Bell Telephone Company, Indiana)	WC Docket No. 03-167
Bell Telephone Company Incorporated, The)	
Ohio Bell Telephone Company, Wisconsin)	
Bell, Inc., and Southwestern Bell)	
Communications Services, Inc. for Provision)	
of In-Region, InterLATA Services in Illinois,)	
Indiana, Ohio, and Wisconsin)	
)	

**DECLARATION OF DANIAL M. NOORANI
ON BEHALF OF AT&T CORP.**

1. My name is Danial M. Noorani. I am employed by AT&T Corp. ("AT&T") as District Manager, Local Services and Access Management. In that position, I am responsible for managing the business relationship with SBC Communications Inc. ("SBC") as it relates to Collocation, Structures and other Network Interconnection issues.

2. I received a Bachelor's degree in Commerce & Economics from the University of Karachi in 1972. I also received a B.B.A. in 1975 and an M.B.A. in 1976 from Western Illinois University in Macomb, Illinois. I joined Western Electric/AT&T Network Systems (now Lucent) in 1979. I was with that division of AT&T until September 1995. At AT&T Network Systems I was the Product Manager for new services supporting our Transmission product line. I moved from that job to Project Manager, new product introductions for Digital Loop Carrier and Transmission Multiplexers. In 1984, I became Senior Contract Specialist in charge of negotiating sales contracts. From 1987 to 1995 at AT&T Network Systems I was the Sales Manager for Transmission, Cable and Wire and Central Office Cross-connect products for the SBC Account.

3. In October 1995 I was assigned to manage the AT&T Access Vendor Management organization in Chicago with responsibilities for the SBC region. In 1996, I assumed the Carrier Relations duties in support of AT&T's Local market entry. I co-chaired the Illinois Commerce Commission Workshop on Local Number Portability and was involved in the selection of a number portability vendor and the formation of a Limited Liability Company of six telecommunications carriers for managing the number portability process. In 1999, I was promoted to my current position.

4. The purpose of my testimony is to demonstrate that SBC's recurring rates for power to CLEC collocation space in Ohio substantially exceeds TELRIC-levels.¹ This is a simple issue. The Public Utilities Commission of Ohio ("PUCO") has adopted recurring charges for "power-consumption per fuse amp." Rather, than applying that recurring power charge on a power *consumption* basis, however, SBC has applied (and continues to apply) that recurring charge to the full capacity that could theoretically be delivered to a collocated space. In so doing, SBC's recurring charges for power consumption greatly exceed the power actually delivered to and consumed by the CLECs, a clear violation of TELRIC principles.

5. By way of background, carriers that collocate equipment in SBC's structures have no choice but to purchase electricity from SBC to power that equipment. The maximum amount of power available to a collocation space depends on how much power is "fused" to that space. Fuses come in various sizes, depending on the amount of electricity (measured in AMPs) that can be delivered through the fuse. There is always a primary fuse (sometimes referred to as the

¹ For the same reasons stated below, SBC's collocation power recurring charges for Indiana and Wisconsin also are substantially above TELRIC levels. However, whereas AT&T squarely raised this issue before the Ohio state commission, it has not yet raised this issue in state proceedings before the Indiana and Wisconsin state commissions. Accordingly, this testimony focuses on SBC's Ohio collocation power recurring charges.

“A” lead) and a redundant (or “backup”) fuse (sometimes referred to as the “B” lead). This redundancy is critical because it ensures uninterrupted power supply in the event that the primary power supply fails. Of course, carriers do not ordinarily draw power from both fused feeds at the same time, because there would then be insufficient backup power, which could result in loss of service to customers in the event of a power outage.

6. Moreover, carriers do not ordinarily draw the maximum amount of power from the primary lead, much like an individual living in a house does not ordinarily draw the maximum amount of power available to the house. For example, a carrier may have a primary and backup lead, each of which is capable of delivering 100 AMPs. The carrier however, may ordinarily draw only 80 AMPs from the primary lead (and as noted would draw no power from the redundant fuse). AT&T rarely draws the maximum power available from its primary fuse, and, for the reasons stated above, does not generally draw power from both its primary and backup fuses at the same time.²

7. SBC recovers the costs it incurs for providing power to CLECs through two separate charges. First, SBC recovers the full costs of installing each fuse and other power-related equipment through a non-recurring charge for “power delivery-per power lead.”³

² Some equipment is designed to draw power from both the primary and backup leads. But in those circumstances, the power drawn from the leads does not exceed the capacity of the primary lead. This restriction is necessary to ensure that if one of the leads fails, the other lead has sufficient capacity to provide all power required by the collocated CLEC.

³ Opinion and Order, *Review of Ameritech Ohio's Economic Costs for Interconnection, Unbundled Network Elements, and Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic; Application of Ameritech Ohio for Approval of a Carrier-to-Carrier Tariff*, Case Nos. 96-922-TP-UNC, 00-1368-TP-ATA, at 31-32 (Public Utilities Commission Of Ohio, March 13, 2003) (“PUCO 2003 UNE Order”), attached hereto as Exhibit 1.

Second, SBC is permitted to recover the amount of power consumed by the collocated carrier through a recurring charge for “power consumption-per fuse amp.”⁴

8. As pointed out by AT&T and other CLECs in the recent UNE pricing proceeding before the PUCO, SBC applies the recurring charges in such a manner that inflates them far above TELRIC levels.⁵ In particular, SBC applies the recurring rates to the number of *fused* AMPs, rather than the number of AMPs that are actually consumed by the collocated carrier. That is, SBC requires collocated carriers to pay the recurring rate for every AMP that could theoretically be delivered to that carrier, including the capacity of the redundant, backup fuses. As noted, however, collocated carriers do not generally draw power from both the primary and redundant fuses and, moreover, collocated carriers ordinarily draw less power from the primary fuse than is available from that fuse.⁶

9. This application of SBC’s recurring power charge plainly violates fundamental TELRIC principles. Indeed, TELRIC principles require rates to reflect “the incremental costs that incumbents actually expect to incur in making network elements available to new entrants.

⁴ *Id.*

⁵ Post Hearing Brief of Allegiance Telecom of Ohio, Inc., AT&T Communications of Ohio Inc., IP Communications, Inc., New Edge Communications, Inc., Rhythms Links, Inc., Time Warner Communications of Ohio, LP, *Illinois Commerce Commission On Its Own Motion; Investigation into forward looking cost studies and rates for Ameritech Illinois for interconnection, network elements, transport and termination traffic; Illinois Bell Telephone Company; Proposed rates, terms and conditions for unbundled network elements*, Consolidated Dockets 96-0486 & 96-0569, at 87-88 (March 2, 2004).

⁶ By analogy, SBC’s policy is akin to a residential power company charging a residential customer for the amount of power the customer would draw if the customer ran every single appliance in her home twenty-four hours a day, and then doubling that amount to account for the fact that the residential power company had sufficient backup power in case the main line encountered problems.

Local Competition Order ¶ 685.⁷ Similarly, basic TELRIC principles mandate cost-causation – *i.e.*, competitive carriers should be charged only for costs that are directly attributable to their use of incumbent network facilities. *See Local Competition Order* ¶¶ 620, 682; 47 C.F.R. § 51.505(b). By contrast, SBC’s recurring collocation power charges recover costs that SBC *never incurs*, and could not reasonably expect to incur. SBC’s rates recover costs as if all collocated carriers fully utilized both the primary leads and the backup leads. For the reasons stated above, collocated carriers rarely utilize the full capacity of their primary leads, and generally do not utilize any capacity from the backup leads (and when they do, they have usually stopped consuming power from the primary leads).

10. The cost impact of SBC’s overcharges for collocation power is dramatic. In Illinois, after the installation of meters that measured actual power usage, the cost of power declined by **BEGIN CONFIDENTIAL***** *****END CONFIDENTIAL** compared to SBC’s “fused amp” power cost per month prior to meter installation. As set forth on confidential Exhibit 2 hereto, for selected collocation locations in Illinois, in June 2002, power costs were **BEGIN CONFIDENTIAL***** *****END CONFIDENTIAL** compared to over **BEGIN CONFIDENTIAL***** *****END CONFIDENTIAL** for the same facilities prior to installation of meters.

11. SBC’s fused amp power charge violates TELRIC and is highly anticompetitive. Whereas SBC pays only the costs of providing telecommunications services that reflect the cost of only the power SBC consumes, SBC’s collocation power recurring charges mean that competitive carriers’ costs of providing telecommunications services reflect the costs of at least

⁷ First Report & Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd. 15499 (1996) (“*Local Competition Order*”).

twice the amount of electricity that they consume. As the Commission has recognized, prices based on TELRIC are “critical to the development of a competitive local exchange [market]” and will “best ensure the efficient investment decisions and competitive entry contemplated by the 1996 Act.” *Local Competition Order* ¶ 705. Here, where UNE rates exceed TELRIC levels, competitors incur greater costs than the incumbent in using facilities and the incumbent can engage in a price-cost squeeze that can block efficient entry. *Id.* ¶¶ 635, 675, 705.

12. On this record, it is not surprising that other state commission’s have rejected the type of recurring power charges SBC has implemented in Ohio. For example, the Illinois commission agreed with the Illinois Staff position that SBC’s “power consumption charges should be based on usage and not on per circuit capacity of the equipment located in the cage.”⁸ And as noted, after the Illinois Commission forced SBC to begin charging customers only for power actually provided to and consumed by collocated powers, the charges incurred by AT&T for collocation power dropped precipitously. Similarly, in Texas, SBC does not charge for backup power.

13. Moreover, even Verizon, another incumbent LEC that provides local telecommunications services in Ohio, recognizes that it is inappropriate to require collocated carriers for power that they will not consume. Verizon’s Ohio tariff only requires carriers to pay for the power the CLEC expects to draw from the primary lead, regardless of the ultimate capacity (backup and excess capacity) that is available to the collocation space.

⁸ Second Interim Order, *Illinois Commerce Commission On Its Own Motion; Investigation into forward looking cost studies and rates for Ameritech Illinois for interconnection, network elements, transport and termination traffic; Illinois Bell Telephone Company; Proposed rates, terms and conditions for unbundled network elements*, Consolidated Dockets 96-0486 & 96-0569 (Illinois Commerce Commission, Feb. 17, 1998).

14. Although this issue was squarely raised before the PUCO by numerous CLECs in a 2003 collocation pricing proceeding, the PUCO barely addressed the issue. In a prior cost proceeding, the PUCO adopted recurring power charges based on “power consumption-per fuse amp” for physical caged and virtual collocation.⁹ In the 2003 pricing proceeding, the PUCO reviewed recurring power consumption charges for cageless collocation and shared collocation. The CLECs provided substantial evidence demonstrating that, for the reasons stated above, SBC’s application of the PUCO’s recurring power collocation charges to all power that a CLEC could theoretically consume for caged and virtual collocation resulted in power consumption charges that were inflated above TELRIC levels, and that the same application of those recurring charges to cageless and shared collocation would also produce recurring charges that are above TELRIC levels. The PUCO, however, dodged the issue, stating only that it found “nothing in the record to justify that these charges established by the Commission for physical caged collocation and virtual collocation should be any different when applied to cageless or shared collocation.”¹⁰ Of course, that statement makes sense, but it fails to address the central issue: that the recurring rates should apply only to the power consumed, not to all power that a CLEC could, in theory, consume.

⁹ *PUCO 2003 UNE Order*, 31-32.

¹⁰ *Id.*

CONCLUSION

15. For the foregoing reasons, SBC has failed to demonstrate that it has satisfied Checklist Item 2 obligation to provide power to collocation customers at TELRIC-compliant levels.

VERIFICATION PAGE

I, Danial M. Noorani, declare under penalty of perjury that the foregoing is true and correct.

/s/ Daniel M. Noorani
Danial M. Noorani

August 6, 2003

EXHIBIT 1

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Review of Ameritech)
Ohio's Economic Costs for Interconnection,) Case No. 96-922-TP-UNC
Unbundled Network Elements, and Recipro-)
cal Compensation for Transport and Termi-)
nation of Local Telecommunications Traffic.)

In the Matter of the Application of Ameritech) Case No. 00-1368-TP-ATA
Ohio for Approval of a Carrier-to-Carrier)
Tariff.)

OPINION AND ORDER

The Commission, considering the application, exhibits, the comments of record, the applicable law and evidence of record, and being otherwise fully advised, hereby issues its Opinion and Order.

APPEARANCES:

Porter, Wright, Morris & Arthur, by Daniel R. Conway, Mark S. Stemm, and Andrew C. Emerson, 41 South High Street, Columbus, Ohio 43215; Jon F. Kelly and Mary Ryan Fenlon, Ameritech Ohio, 105 East Gay Street, Room 4C, Columbus, Ohio 43215; and Calfee, Halter & Griswold LLP, by Kevin M. Sullivan, James F. Lang, and Michael T. Mulcahy, 1400 McDonald Investment Center, 800 Superior Avenue, Cleveland, Ohio 44114, on behalf of Ameritech Ohio.

Bell, Royer & Sanders Co., LPA, by Judith B. Sanders, 33 South Grant Avenue, Columbus, Ohio 43215, on behalf of MCIMetro Access Transmission Services, Inc. and Pace Coalition.

Robert S. Tongren, Consumers' Counsel, by Joseph P. Serio and David C. Bergman, Associate Consumers' Counsel, 10 West Broad Street, Suite 1800, Columbus, Ohio 43215, on behalf of the residential consumers of Ameritech Ohio.

Betty D. Montgomery, Attorney General, State of Ohio, by Duane W. Luckey, Chief, Public Utilities Section, by Steven T. Nourse, Thomas G. Lindgren, and Jodi Bair, Assistant Attorneys General, Public Utilities Section, 180 East Broad Street, Columbus, Ohio 43215, on behalf of the staff of the Public Utilities Commission of Ohio.

David J. Chorzempa, 227 West Adams Street, Suite 1500, Chicago, Illinois 60606, on behalf of AT&T Communications of Ohio, Inc. and TCG Ohio.

Evan Siegel, 205 North Michigan Avenue, Suite 3700, Chicago, Illinois 60601, on behalf of Worldcom.

Ferris & Ferris, by Boyd B. Ferris, 2733 West Dublin-Granville Road, Columbus, Ohio 43235, on behalf of Birch Telecom of the Great Lakes.

of implementing the rest of the terms and conditions of their respective interconnection agreements. Accordingly, we direct Ameritech to clarify its tariff to reflect this obligation.

With respect to the issue of space designation for cageless collocation equipment, we will not require that Ameritech permit placement along side Ameritech's equipment. We are satisfied from the record that Ameritech places physically collocated equipment in the same type of space it would place its own equipment but at a different location for security purposes. Moreover, the Coalition failed to demonstrate that any provision of Ameritech's proposed tariffs discriminates between CLECs and an Ameritech affiliate (Tr. VI at 11-12). The Coalition also failed to provide evidence in support of their claim that the lack of collocation with Ameritech's equipment discriminates against them in any way. We find that our decision not to place such an obligation on Ameritech is consistent with Section 51.323(f) of the FCC rules. At the same time, however, we conclude that CLECs should be able, pursuant to 47 C.F.R. 51.323(f)(7) to submit collocation space preference and Ameritech should assign collocation space consistent with that rule. Additionally, we will require Ameritech to incorporate 47 C.F.R. 51.323(i)(4) and (6) into its tariff.

Turning to the issue of in-place conversion from virtual collocation to cageless collocation, we remain unpersuaded by the Coalition's position. Rather, we agree with Ameritech that the Coalition's request to allow in-place conversion ignores the fundamental distinction between physical and virtual collocation. We have previously reached this conclusion in the ICG arbitration proceeding and the Coalition has failed to provide any reason for us to depart from our prior holding. Additionally, as noted by Ameritech, the Coalition's request is insupportable for a full panoply of reasons which we have already identified but will reiterate again as clarification for the Coalition. The request violates Ameritech's right to determine the location of cageless collocation space within its premises, violates FCC findings that cageless collocation arrangements are appropriate only in unused spaces, impedes Ameritech's right to secure its equipment, violates the first-come, first-serve rule for physical collocation, and limits Ameritech's ability to reserve space for its own future use.

With respect to the issue regarding the type of equipment eligible for collocation, we reject the Coalition's assertion that "used and useful" is the proper criteria for determining the equipment eligibility for collocation on ILEC premises. In its Fourth Report and Order issued August 8, 2001, the FCC rejected the "used and useful" standard. Instead, the FCC adopted the criteria pursuant to Section 251(c)(6) of the 1996 Act that equipment that is "necessary" for interconnection and access to UNEs and set forth in 47 C.F.R. 51.323(b) of its rules which equipment would constitute "necessary" for single-use as well as multi-function equipment. As a result, equipment using modern technology is not necessarily precluded from Ameritech's collocation obligation as long as it meets the "necessary" criteria of 47 C.F.R. 51.323(b) of the FCC rules. Consequently, if Ameritech objects to collocating a certain piece of equipment on its premises, Ameritech has the burden of proving to the Commission that such equipment does not meet the "necessary" criteria.

Turning to the issue of power consumption charges, again we must reject the Coalition's position on this issue. As noted by Ameritech, we have already addressed this

issue in the previous phase of this proceeding when we established two rate elements: nonrecurring charge for "power delivery-per power lead" and a recurring charge for "power consumption-per fuse amp." These two rate elements provide two different functions and recover two different types of costs. We find nothing in the record to justify that these charges established by the Commission for physical caged collocation and virtual collocation should be any different when applied to cageless collocation or shared cage collocation.

With respect to the issue of the requirement for CLECs to contract with third party vendors for cabling, we find Ameritech's proposal to be reasonable as it provides CLECs with more control over their costs and installation intervals for their collocation arrangement. According to the record, this has been Ameritech's practice and is not a new proposal in this proceeding (Tr. V at 127; Tr. VIII at 227). There is no evidence in the record demonstrating that the CLECs have ever objected to or complained about this practice in the past. Nothing in Ameritech's proposal in light of this practice would relieve Ameritech of its obligation to deliver collocation arrangements within the provisioning intervals set by the FCC rules.

With respect to the issue of time frames for existing collocation augmentation, the Coalition proposes a 30-day interval for augmentation, regardless of the nature of such augmentation, of existing collocation. They cite to the Texas tariff as support for their proposal (Coalition Ex. 21, at 21; Coalition Initial Brief at 89). According to the record, the Texas tariff provides for different augmentation intervals for augmentation of specified different facilities [Coalition Ex. 19, Section 6.1.3(D)]. There is insufficient information in the record for the Commission to adopt either of the parties' proposals. Consequently, we reject the Coalition's proposal as well as Ameritech's counterproposal. In rejecting these proposals, we find that the interval of augmentation of existing collocation would also impact various types of collocation arrangements. Accordingly, augmentation intervals will be investigated by the Commission with the remaining terms and conditions of the proposed tariffs that are not within the scope of this phase of the proceeding.

Similarly, the standards for Ameritech's space reservation for its own future use would impact various types of collocation arrangements. We note that there is not sufficient information or support in the record for the Commission to adopt the Coalition's proposal as this issue was raised for the first time in the briefing phase of this proceeding (Coalition Initial Brief at 89-90). Accordingly, this issue will be investigated by the Commission with the remaining terms and conditions of the proposed tariffs that are not within the scope of this phase of the proceeding.

Turning to the type of cables used in interconnection (coaxial versus fiber) the Coalition fails to point to any specific provision in Ameritech's proposed tariffs for limitation on the use of copper or coaxial cables for interconnection purposes. The Coalition merely claims that "in the past, Ameritech has insisted..." with no cite to the proposed tariff (Coalition Initial Brief at 83). Although Ameritech argues that it is irrelevant to the terms and conditions of cageless and shared cage collocation, the Commission finds that it impacts the CLECs' abilities to interconnect their equipment in a collocation arrangement, including but not limited to, shared cage and cageless collocation

EXHIBIT 2

REDACTED – FOR PUBLIC INSPECTION